

Work Session
April 1, 2003

The Montgomery County Board of Commissioners met in a work session on Tuesday, April 1, 2003 at 4:00 p.m. in the Montgomery County Commissioners' Conference Room. A full board was present. *Chairman Maness called the meeting to order and the following was heard:*

Discussion of the Redistricting Plan

Chairman Maness announced that due to a conflict, Mr. Crowell could not attend the meeting but would reschedule for the next work session.

Report on the Beth Haltiwanger Retreat

Mrs. Judy Stevens was present in support of the Beth Haltiwanger Retreat. She turned the meeting over to Dr. Charles Ambrose who is President of Pfeiffer University.

Dr. Ambrose said he counts Montgomery County as a neighbor in many ways and he also extended his appreciation to Dr. Mary Kirk and Montgomery Community College. There are currently twenty-two students enrolled in the Pfeiffer University program at Montgomery Community College.

Dr. Ambrose said there are a lot of things going on at Pfeiffer University and enrollment at the University has increased 25% over the last five years. There are students from many places. He also briefly talked about the Graystone Starter School.

He continued to say he is grateful for the partnership the University has with the county. Dr. Ambrose said he is excited about the work that has been done by Mr. Joseph Pate who was also in attendance.

Dr. Ambrose introduced Mr. Pate who is the director of the Beth Haltiwanger Retreat.

Mr. Pate told the board how excited he is to be in this area, especially on days like today. He gave details describing his educational and professional background.

Mr. Pate said as the director he provides leadership and administrative direction for the center. He explained that he is also responsible for the development, implementation, and integration of outdoor programs and activities for Pfeiffer University. Mr. Pate also serves as the assistant director of Knapp Health and Fitness Center.

Mr. Pate said the mission of the Beth Haltiwanger Retreat is to provide a serene facility and distinctive programs that reflect a dedication to personal growth, team building, and the development of leadership and community. The Beth Haltiwanger Retreat Center strives to be self-sustaining in its operation and respectful to its natural environment.

Mr. Pate said the advisory board is comprised of representatives from Pfeiffer University and Community Leaders from Montgomery, Stanly, and Rowan Counties.

He explained there is a Standard Operating Procedures Manual and Risk Management Forms, and that the current fee schedule is being evaluated.

Mr. Pate said there are several kinds of groups that use the facility such as mission groups, non-profit groups, Pfeiffer University groups, corporate groups, church, civic, and school groups.

Mr. Pate said they have made facility safety improvements adding new carpet, a new stove, and furniture. He also added that there has been tree and limb removal, cleaning and landscaping and course inspection. Mr. Pate explained that there are monthly, quarterly, and annual inspections.

Mr. Pate also explained the future direction of the retreat.

Dr. Ambrose and Mr. Pate also mentioned that Mr. Hilton Cochran had plans to build lodges there on property that joins the retreat. There was discussion regarding a survey for property lines, and increased traffic that the lodges would bring.

Dr. Ambrose said this issue could be both positive and negative for the retreat.

Discussion of Audit Contract Fiscal Year 2002-2003

Mr. Matthews presented the proposed Audit Contract from Dixon Odom for the Fiscal Year 2002-2003 Audit. It is an increase of \$2,225 over last year's amount (a five percent increase). They are including a \$100 per hour fee for year-end bookkeeping assistance to comply with GASB 34. We are not sure how many hours this may involve. However, \$9,475 of their fee is for preparation of the financial statements. We hope to offset a large part of this expense by having our new finance officer prepare as many of the year-end financials as possible.

He said he knows the board wants to bid out the audit contract but because of GASB 34 compliance and having a new finance officer, it is my recommendation that we contract with Dixon Odom this year before we go out for bid for audit services next year. There are two big changes, finance officer and this GASB 34.

Commissioner Bostic said don't you think other firms will be familiar with this GASB 34? Mr. Matthews said yes they will.

Chairman Maness said he talked with Mr. Watson who used to do the audits. He said he recommended that we stay with our current firm due to this GASB 34.

Commissioner Knight asked what are the advantages of staying with the same firm? Mr. Matthews said their familiarity with us.

Commissioner Corbett said we need to get bids maybe not this year, but certainly for next year.

Commissioner Bostic said he thought we were going to get bids after last year.

Mr. Matthews said we did talk about getting bids, but again because of having to implement GASB 34 and a having a new finance officer he thought for some continuity it would be good to stay with them this year. He said it is certainly the pleasure of the board.

Commissioner Morris said she feels we ought to stay with them because of the new folks we have.

Chairman Maness asked Mr. Matthews if he had any idea how many hours they would charge us at the \$100/hour rate? Mr. Matthews said he can't imagine it being more than a couple thousand dollars if we do most of the work ourselves.

Chairman Maness asked if there are a lot of firms in North Carolina that would be able to do this implementation? Mr. Matthews explained yes but a lot of the smaller firms are going out of business because of these requirements and we will have to go with a larger firm and that is more expensive.

Commissioner Corbett asked if Greg Blake could do this, he is very qualified.

Commissioner Bostic said we have had Dixon Odom ever since he has been on the board. Mr. Bostic said he doesn't like people to think they have us over the barrel.

Chairman Maness said it is a decision of the board.

Commissioner Morris asked about the time frame? Mr. Matthews said we will have to start tomorrow with the RFPs. Mrs. Morris said it is getting a little late for this. Mr. Matthews said they will start in July with preliminary work.

Mr. Corbett said he would like us to contact Greg Blake.

Commissioner Knight asked if there are seminars our employees can attend so they will be able to do this work? He said if we could learn it would save us money. Mr. Matthews said I don't think so, but if there are any they would probably be geared more toward the people doing the audit. There are probably some things that could help us. Mr. Matthews said one reason we hired our new finance officer Cathy Baxter so she can do some of these things.

Commissioner Morris asked if Cathy has been to school? Mr. Matthews said she just attended a conference and the finance officers' school is not until September.

Chairman Maness asked how many RFPs would need to be sent out? Mr. Matthews said as many as you want.

The consensus of the board was to bid this audit contract out.

Discussion of Smallpox Vaccination Policy

Mr. Matthews said Health Director Kathleen Devore-Jones would not be present to discuss this because she had nothing additional to add. This issue was discussed at previous work sessions.

The board agreed to carry this forward to the regular session.

County Manager's Report

County Manager Lee Matthews gave the following report:

- **Board of E&R** – Mr. Matthews said that the Tax Department had given him a booklet with the General Statute regarding the Board of Equalization and Review to handout to the board. He said he knows someone representing Springs Industries will be present and Win Dozier may also be present. Commissioner Knight said the board needs to keep in mind that these people who will be making these requests have a lot to gain by our decision. Commissioner Corbett agreed with Commissioner Knight. He said we need to work on two things, the fund balance and remembering all of the older people and those on short time. He said we need to distinguish the difference between want and needs. Mr. Knight said there are a lot of people who do not understand they can get a senior

citizen exemption. The board discussed Mid-Atlantic's situation with the lay-offs they have made and the issue of the tax incentive requirement they received that they are not meeting. (Mid-Atlantic laid off everyone but the office staff.)

- **Engineering** – Mr. Matthews presented the capital project ordinance and the engineering service contract for the upcoming water line project. He said he talked with Tim Carpenter and Fred Hobbs about the engineering fee and reduced it from \$1.15 per foot to \$1.00 per foot which saved us about \$15,000. Mr. Matthews said also on the agenda for the regular session was the capital project ordinance. He said he made one mistake; the inspection fee is \$52,800 instead of \$50,000. He said it doesn't change the total project, moved it from the construction to the inspection part. Mr. Matthews said that if the board desires we can move it forward to the regular session to vote on this. He said we could vote on it at the same time we vote on the capital project ordinance. Commissioner Bostic asked if this was for the new roads the board had been discussing which does not include the Dry Creek area? Mr. Matthews said yes. Mr. Bostic said he finds it very hard to support this contract. The reason why is George (Commissioner Knight) and I rode most of these roads and none of these roads serve black families. He said I am not saying there were any prejudices involved, but it looks bad. That we are going to serve this many roads and not serve one single black family, and we have a road where we can serve black families we choose to take it from the list that we originally said we were going to do. Mr. Bostic said he would never be able to support something like this. He said it was the same in Richmond County when we served everyone in Exway. He said the past water line stopped 200 yards before the black houses (two commercial business and three houses). The water line stopped at the last white house. He said when we allow things like this to happen it looks bad. If Montgomery County is going to get involved in out of county areas, we shouldn't allow ourselves to get caught up in something that looks so bad. If you would take an area and encompass it there is no way these properties would not have been included. He said I am tired of things happening like this and you say it just happened. Commissioner Morris said wasn't that line not just to contaminated wells? Mr. Matthews said that is my understanding; I wasn't here at the time. Mrs. Morris said just to the ones that were contaminated were the only ones we were allowed . . . Mr. Bostic said you can't tell me all of the people in this area, that close, how can that now be contaminated? Commissioner Knight said that Grady Scarboro's church (Parsons Grove) water was bad and they went to Richmond County Commissioners and that board told them they would look into it and come up with some ideas and take care of it. (This is back when they did the project.) Since then Richmond County, like us, hasn't paid any attention to those houses. Mr. Knight said I don't know if Ralph (Commissioner Bostic) was serving then, but I don't know how you all allowed that to happen. You allow water from Montgomery County to go down into Richmond County and serve only the whites in that area. It goes down one road more than the distance that it would have went on the other road to serve blacks, and there is only one or two people hooked on. How could we allow that to happen? Mr. Knight said when you have people in the community coming to you asking why? I don't have the answer as to why. Chairman Maness said, I wasn't a commissioner then, but I have heard Ralph (Commissioner Bostic) mention it before. What's fair is fair; we need to be fair to everybody. Commissioner Morris said this was funded by the state wasn't it? Mr. Matthews said yes the underground storage tank

contaminated fund; he said I don't know the official name of it. Mrs. Morris said none of our money went into it, correct? Mr. Matthews said it was all state funds. Chairman Maness said Hobbs Upchurch looked after it, but to get to my point, I don't know what happened there. Mr. Maness said the commissioners at that time should have been watching to make sure that didn't happen. Commissioner Bostic said I brought it up at the time it was done; they said it was because of the area of contamination. Mr. Bostic said he checked it on his odometer. Commissioner Corbett said there are a lot of water problems throughout the county. Commissioner Knight said the point that Ralph (Commissioner Bostic) is trying to make is that what we are doing now is the same thing that happened then. Mr. Knight said people are coming to us and saying you are running water everywhere else, but you can't run water to us. We have an excuse; they had an excuse that the contamination didn't go that far. Our excuse now is the mileage. He said I ride around this county and there are miles and miles of line running to serve a certain areas. Mr. Knight said I don't know how we figured it then as far as getting the pipe run all these miles. Now we are using that as a priority, because we have to run a pipe for five or seven miles to get to this community (Dry Creek). Mr. Knight said we would not have to run the pipe that far to get into this community. We are holding this against them because it is seven miles from where we stopped running our pipe. We are holding it against them. Mr. Knight said I don't know what the answer is. People are going to look at it. I looked at it when Ralph (Commissioner Bostic) took me around to these roads. I said Ralph what is going on here, these people didn't want water? Chairman Maness said I don't know what the answer is either. The water line that is in question on this contract, the situation that happened right there I discussed with you. What I discussed with you I voted for Dry Creek to have water at \$30,000 dollars. Mr. Maness said I wanted Dry Creek to have water, I have no problem with Dry Creek having water, but what I didn't vote on was \$430,000. We have 1.3 million or 1.4 million to spend. He said Commissioner Bostic said we are taking number one through whatever, we are not going to let publicity or whatever get involved, how much I like someone or whatever. That is exactly what I voted on. Mr. Maness said Tim Carpenter made a mistake. He made a \$400,000 mistake, but he backed up and told us he made a mistake. Mr. Maness said I want Dry Creek to have water like everyone else does, but it goes back to the last meeting we had, it falls where it falls, you can't put others in front of others. Commissioner Knight said I understand that, Tim figured it from the community he didn't figure in that we didn't have pipe already close to this community. I don't see why we can't figure it this way. He said we need to find some way of running the pipe down Hwy 731 to serve the people off of Hwy 731. Commissioner Bostic said all we need to do is take a little more from the reserve to run the line. Mr. Bostic said it is not going to hurt the reserve to take a little more out. Commissioner Corbett asked where the county has water on 731 currently. The board discussed why the water line runs through McCallum Road. Commissioner Bostic asked Laura Morton if the sign ups on McCallum Road were poor. Mrs. Morton said very poor. Chairman Maness asked why we ran the line on the road then. Commissioner Morris/Laura Morton said it is a feeder line. Commissioner Knight said Tim Carpenter was going to look into funds to use to run water down 731, but he doesn't know if it is a priority. Chairman Maness said I would like to see Dry Creek get water, and hopefully Tim will find some money to do so. Commissioner Bostic said I think we need to hold this and not vote until Dry Creek is included. He said I am

going to vote negative on it. Chairman Maness said I understand Mr. Bostic. Commissioner Corbett asked how long ago did the board vote on this. Mr. Matthews said in the fall. Chairman Maness explained the process the board went through to get to this point.

- **RTF Memo** – Mr. Matthews handed the board a memo regarding rural transportation funds public hearing for their information. Commissioner Corbett asked if this would actually put us in the transportation business. Mr. Matthews said yes. Mr. Corbett said he was told we would have a building. Mr. Matthews said we would have an office and a coordinator to run the agency. A consultant would be hired to see how to implement the system. Mr. Matthews said Commissioner Bostic, Social Services Director Jim Sanders, and himself serve on the board.
- **Registration for County District Meeting** - Mr. Matthews announced that Montgomery County is in District 10 and the District meeting would be next Friday from 12 until 3. Issues that would be discussed are the state budget, legal issues, Medicaid funding, and insurance report. Mr. Matthews asked those that plan to attend, please contact him so he can send the registration in.
- **Insurance Premiums** – Mr. Matthews announced that the following are the increases in insurance: Liability up 19% or \$40,000; Worker’s Compensation up 170% or \$85,000; and Medical up 20% or \$148,000 for a total of \$273,000. Mr. Matthews said he is in the process of getting bids for insurance. Commissioner Corbett asked Mr. Matthews if he has spoken with Bill Hudson. Mr. Matthews said yes. Chairman Maness asked Mr. Matthews to check with the schools to see if they are self-insured. Commissioner Bostic asked are we self-insured? Mr. Matthews said our health insurance is self-insured. Mr. Matthews said he talked with Mary Kirk and the Finance Officer at Montgomery Community College about combining insurance if possible. Chairman Maness said it was just a thought.
- **Budget Revisions** – Commissioner Bostic said he thinks we need to stop budget revisions all together. Chairman Maness and Commissioner Corbett agreed. Commissioner Knight said he doesn’t think we should say no work orders, because there may really be a need. He said we need to look at each one close. Commissioner Knight said we have a chance to say no. Chairman Maness said I would rather not bring it up Mr. Knight said something may come up. Mr. Matthews said the budget is a living document and there is no way we can anticipate what is going to happen. Chairman Maness said he agreed with Commissioner Bostic. Commissioner Corbett said let’s carry this forward. Commissioner Knight said including the one today? Mr. Corbett said yes. Mr. Matthews explained the one today for 911 Addressing. Commissioner Morris said we don’t need to start with this one. Commissioners Bostic and Corbett said they didn’t agree with that. Mr. Matthews said we have to have this printer to print a report. Consensus of the board was to carry this forward to the regular session.
- **Budget Presentations** – Mr. Matthews handed the schedule out for the Budget Presentations for April 2, 3, 9, and 10. Chairman Maness asked that we contact

those on the schedule to come early so we don't have a lot of time waiting around. Mr. Matthews said we have already contacted them.

- **Chamber of Commerce** - Business After Hours at Uwharrie Point on Tuesday, April 8 at Uwharrie Point from 5:30 until 7:30.
- **CEDS Meeting** – Wednesday, April 16 at 5:30 p.m. in the conference room at the hospital.

Other

Commissioner Knight asked if we have a solid waste ordinance (hog farms). Commissioners Bostic and Corbett said we can't zone out agriculture.

Items Carried Forward to Regular Session

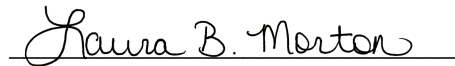
The following items were carried forward to the regular session:

- Approval of the Smallpox Vaccination
- Ordinance and Contract for the Water Capital Project
- Stopping Budget Revisions

There being no further business the meeting was adjourned.


William D. Maness, Chairman




Laura B. Morton, Clerk to the Board